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TAGS: [PGOV](#) [PREL](#) [MOPS](#) [MARR](#) [PHUM](#) [KDEM](#) [ECON](#)  
SUBJECT: MFA ON CUBA, AFGHANISTAN, AND RUSSIAN OIL CUT-OFF  
REF: A) BUDAPEST 45 B) 06 BUDAPEST 2452

Classified By: POL/C ERIC V. GAUDIOSI; REASONS 1.4 (B) AND (D)

11. (C) Summary: Ambassador Foley met with MFA State Secretary Varkonyi January 11 to review the state of play on

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key issues following her return from the EUR Chiefs of Mission Conference. Varkonyi outlined GoH initiatives to promote a democratic transition in Cuba, including the addition of embassy staff in Havana, emphasizing the GoH's commitment to continued activism despite clear signs of displeasure from the Cuban regime. On Afghanistan, he described continued interagency friction in coordinating PRT efforts but expects the GoH to have additional projects up and running by March at the latest. Turning briefly to the recent cut-off of oil from Russia, he expressed "shock" over Moscow's action and noted the GoH's recognition that "alternate sources are ultimately the only leverage." End Summary.

CUBA: "ON THE JOB"

12. (C) Following discussion of the President's New Way Forward in Iraq (ref a), Varkonyi welcomed word of Secretary Rice's praise for Hungary during discussion of Cuba at the recent EUR Chiefs of Mission Conference. He indicated that FM Goncz would likely be "receptive" to making public remarks at the time of Castro's passing, and emphasized that he is available "24 hours a day." He also questioned the Ambassador closely to see if our inquiry was driven by "any specific intelligence" regarding Castro's condition, but accepted our response that the international community should be preparing now to act in the post-Castro environment.

13. (C) Given the uncertainty regarding Castro's condition, Varkonyi noted that the GoH had decided to postpone consideration of a follow-up to the recent Coral Gables conference for "4 - 6 weeks." This period will also allow the GoH to gauge Cuban reaction to their agreement request for their new Ambassador, which he expected to move forward next week. If Havana does not act in "the normal time frame," it will represent another shot across the bow following their cancellation of the November meeting of the Hungary-Cuba Joint Economic Group and their more recent decision to withdraw their Ambassador from Budapest. Varkonyi added that this move had been framed as a "normal rotation," but has little doubt that it is another indicator of Havana's concern regarding Hungary's activism. So, he continued, is the increased surveillance of the Hungarian Embassy in Havana.

14. (C) Nevertheless, he continued, the Hungarian Embassy continues its engagement on the ground, most recently donating office equipment (including DVD players) to the Cuban opposition. He advised that the GoH will add another officer to its embassy staff in Havana in February, and is prepared to send one more this summer. He expressed particular appreciation at the Secretary's recognition that "we are on the job."

15. (C) He expressed less satisfaction with the EU's position, noting Spain had not demonstrated "the ambition to go with its influence." He expects Cuba to feature prominently in the upcoming meeting of the EU's Latin American forum.

#### AFGHANISTAN: FORWARD PROGRESS AND FRUSTRATION

16. (C) Turning to Afghanistan, Varkonyi predicted that the MFA will shortly have its development proposals finalized and believes that implementation efforts will begin on March 1 "at the latest." He underscored that projects in Afghanistan will receive two-thirds of Hungary's entire international development budget, and noted that the GoH plans to designate a "facilitating partner" from the NGO community to supervise projects on the ground rather than "trying to supervise things from Budapest."

17. (C) Despite this progress, Varkonyi conceded that the GoH's inter-governmental committee on Afghanistan is still the site of "differing interests and priorities." The MoD tends to see security as the preeminent concern, and the Prime Minister's office remains the source of frustration, particularly in their resistance to "letting the MFA take on the coordinating role." Varkonyi looked forward to upcoming PRT training in Hungary to be provided by USAID and agreed on the importance of assembling the right attendees.

#### ENERGY SECURITY: MFA AWARE ... BUT NOT RESPONSIBLE

18. (C) Commenting on the brief cut-off of oil supplies from Russia and responding to Ambassador Foley's observation that diversification of sources represents "the only real leverage," Varkonyi agreed that "even a blind man can see what Russia has in mind." He admitted that the GoH was in a "state of shock" following the recent cut-off, and remained "very serious" about pursuing other sources of energy and capitalizing on the EU's growing awareness of the problem. He had travelled to Qatar and Libya recently - accompanied by officials from the Hungarian Oil Company - and noted that FM Goncz would be in the Middle East next month. He was at pains to emphasize, however, that energy policy is not in the MFA's purview.

#### BILATERAL ISSUES: FROM TRAVEL TO TRAFFICKING

19. (C) Concluding with a brief review of bilateral issues, Varkonyi reviewed upcoming travel including Parliamentary Speaker Szili's upcoming trip to the U.S., the NATO Ministerial Meeting "pencilled in" on FM Goncz's schedule, and trips to the region by EUR and DHS officials. With respect to the Visa Waiver Program, he expressed strong reservations re the prospect of hiring a lobbying firm to represent the GoH in Washington, underscoring his "faith in the President's remarks in Tallinn" and confidence in the existing framework. He noted the upcoming TIP report and emphasized Hungary's "ambition to reach the highest category."

MINIMIZE CONSIDERED  
FOLEY